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25X1A6a Chief of Station, [REDACTED]

OCT 17 1956

Acting Comptroller

Administrative/FPA Procedures  
Property Issues

REF: (a) [REDACTED] 00595, dated 30 July 1956  
(b) [REDACTED] 4343, dated 8 August 1956  
(c) [REDACTED] 33602, dated 5 July 1956

25X1A6c

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No Change in Class. <input type="checkbox"/>
<input type="checkbox"/> Declassified
Class. Changed To: <u>TS S (C)</u>
Auth.: <u>HR 70-2</u>
Date: <u>10 OCT 1978</u> By: <u>316</u>

1. The following paragraphs containing our comments relative to reference (a) have been numbered to coincide with the paragraphs of this reference.

2. The problem at hand does not seem to be involved with the purchase and issuance of property but rather only with the issuance of property as a direct charge to cost at headquarters level. Unless charges are T/A'd to the field, procurement for requisitions placed upon headquarters is expended against a headquarters allotment and in no way affects the allotments controlled at field level. The allotment expenditure is separate and distinct from the allotment cost since many items will be expended in advance of costing. However, in the final analysis, the total funds expended for property against an allotment will be costed to the using allotments when the property is issued. Issues of property, other than transfers to Accountable Stations, are costed to the using component by headquarters. Transfers to Accountable Stations are treated by headquarters as shipments "In Transit" and the accountability for the shipment is transferred upon acknowledgement of receipt at the receiving location.

3. No comment necessary.

4. The property in question was costed directly to the using allotment at headquarters level. Accountability for the property was dropped at headquarters. therefore, [REDACTED] should have served as a trans-shipper and should not have reflected the property through FPA records. Subsequent shipments earmarked for specific projects which are controlled at headquarters level should be processed in accordance with reference (b). In the event that the need no longer exists for such property and the property is turned-in for Station stocks the following procedure should be followed:

a. Turn-in to stock, using transaction code 3-9.

/Assign temporary stock

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70541  
Page 7

25X1A6c

- b. Assign temporary stock number to establish definitive nomenclature.
- c. Subsequent issue or other action to be coded in accordance with the existing procedures.

Headquarters and Station records will remain in agreement because the property was issued to cost rather than to "In Transit" by headquarters resulting in the dropping of accountability by headquarters. Subsequent pick-up of the property on the field records will be charged to field accountability from the analysis of the headquarters' accountability account received with the field property report.

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5. It is anticipated, that, with the institution of the [redacted] a single procurement allotment will be established against which all procurement will be expended. Requisitions placed will encumber the using authorization and issues made will reflect the costs to the users and will liquidate the encumbrance. This procedure attains the same results as a revolving fund from the standpoint of identifying property issues within each project or activity approval but does not require special legislation to implement. This should eliminate the concern expressed regarding duplicate charges to projects.

6. No comment necessary

7. The property authorization procedures are designed to control the use of KUBARK resources within authorized approvals. Property requisitions are encumbered against the authorization and issues whether to cost or to "In Use" are reflected as liquidations of the encumbrances and as expenditures of the authorization. By using a central procurement allotment no charge will be made to the requesting allotment at the time of requisition; the cost will be reflected upon issuance of the property.

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8. The sentence quoted from the proposed [redacted] has been changed in the revised draft of the procedure. Field property authorization procedures will be implemented only at those stations or bases following FPA procedures. Under proposed procedures, requisitions such as the one for the balloons in question, will encumber the property authorization of the requestor at field level regardless of the source of procurement of the property. If procurement is from headquarters, the property will be shipped to the field accountable station or base through the "In Transit" account. Subsequent issuance to the user will liquidate the encumbrance and reflect proper charges against the field property authorization.

9. We hope that the above comments will clarify the points raised in your dispatch. We shall be happy to assist you in any future problems concerning FPA or Property Authorization Procedures.

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TAS/WMS/jah (2 Oct. '56)

Orig. & 2 - Addressee

1 - RI

1 - C/EE/PAO

1 - EE/LOG

1 - OL/SD

1 - OL/SD/SOB

1 - C/ED

1 - TAS Subject

1 - TAS Chrono

1 - TAS Reading

25X1A9a

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Chief, EE Division

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Acting Comptroller